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FOREIGN SHIPPING TO NORTH VIETNAM
IN DECEMBER 1965

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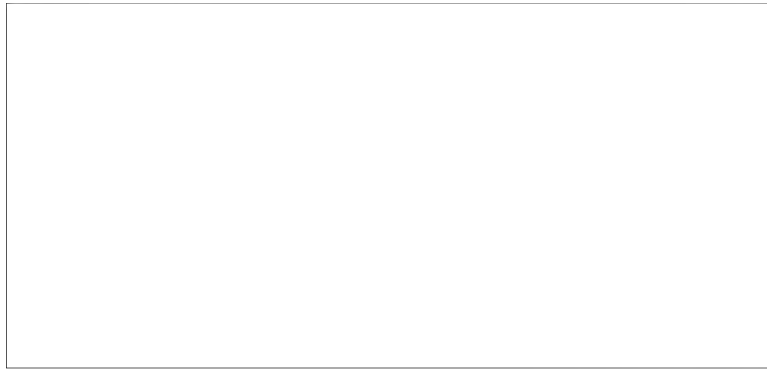
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FOREWORD

The data in this brief are preliminary and subject to modification as additional information becomes available. Significant changes may occur in data on ship arrivals and cargoes from Communist China and, to a lesser extent, in data on cargoes carried by ships of the Free World. Data on Soviet and Eastern European ship arrivals and cargoes and on Free World ship arrivals are not likely to be changed significantly. All data on cargoes carried are expressed in metric tons. As required, changes will be reported in subsequent publications.

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FOREIGN SHIPPING TO NORTH VIETNAM
IN DECEMBER 1965*

Summary

Foreign merchant shipping to North Vietnam in December was highlighted by an unusually large number of calls by Soviet ships, presumably the result of an end-of-year rush to fulfill the trade agreement, and by the diversion of some shipments from rail to sea following interdiction of the main rail line from China. The volume of seaborne imports was the largest for any month of 1965. Coal exports, particularly to Communist China, continued at a high level, but the volume of other exports was very low.

Heavily laden Soviet ships made 10 calls at North Vietnamese ports, more than in any month in 1965 since last January. Cargoes aboard the Soviet ships, which were larger than those identified in any previous month in 1965, consisted of petroleum, fertilizer, and miscellaneous general cargoes. Very little cargo could be identified on the 14 Chinese Communist ships that called, but 8 are believed to have loaded coal for China. Although the 13 calls made by Free World ships were well below the monthly average of 21 for the full year, the total was not significantly less than the average of 15 calls per month during the last half of the year. The distribution of calls by foreign-flag merchant ships during November and December was as follows:

* The estimates and conclusions in this brief represent the best judgment of this Office as of 13 January 1966. For details on ship arrivals and the type and distribution of cargoes, see Tables 1, 2, 3, and 4.

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	<u>November</u>	<u>December</u>	<u>Monthly Average</u> <u>1965</u>
Total	<u>44</u>	<u>41</u>	<u>44</u>
Communist countries	<u>29</u>	<u>28</u>	<u>23</u>
USSR	7	10	7
Eastern Europe	5	4	4
Communist China	16	14	12
Cuba	1		Negl.
Free World	<u>15</u>	<u>13</u>	<u>21</u>
United Kingdom	12	10	11
Other	3	3	10

The closure of the Dong Dang - Hanoi rail line during most of December, following its interdiction on 1 December, necessitated the diversion of a large volume of Sino-Vietnamese trade to the sea route. The line through Dong Dang normally carries the bulk of rail shipments from China, as well as all rail shipments from the USSR and Europe. Although about 70 percent of identified seaborne imports in December consisted of bulk shipments of petroleum, fertilizers, and food-stuffs, which normally arrive by sea, the diversion of rail shipments contributed to the increased volume of imports of general cargoes. Imports of Chinese coking coal, which apparently had been shipped exclusively by rail during January-October 1965, are now going by sea, [REDACTED]

[REDACTED] The sharp increase in seaborne shipments of North Vietnamese anthracite to China in November and December also is due in part to the diversion of these shipments from the railroad line through Dong Dang. No seaborne shipments of arms or ammunition were detected.

Direct and secondary effects of the air attacks on North Vietnam continued to retard seaborne shipments of principal export commodities other than coal. No shipments of apatite were detected in December, [REDACTED]

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[REDACTED] Ship-
ments of cement, pig iron, and miscellaneous general cargoes
remained well below the volumes shipped prior to the initiation
of the Rolling Thunder program.

Communist China apparently is encountering some difficulty in chartering sufficient shipping capacity to carry the increase in seaborne trade with North Vietnam in January. The difficulty is attributable to a tight charter market as well as to withdrawal of Free World ships from trade with North Vietnam following US appeals to governments whose ships have been in this trade. Such shipping shortages are likely to be only transitory, however, because a sufficient number of Free World shipowners, especially those in Hong Kong, will choose to remain in that trade to cover Communist China's basic chartering requirements.

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1. Free World Shipping

Free World ships made only 13 calls at North Vietnamese ports in December. British-flag ships were predominant, with a total of 10 calls; Greek-flag ships made two calls, and a Cypriot-flag ship one. Eight of the British ships and one of the Greek ships were under time charter to Communist China. The other Greek ship and the Cypriot ships were under time charter to North Vietnam. Only 5 of the 13 Free World ships carried cargo to North Vietnam, whereas 10 of the 11 that departed during December were fully loaded (with coal).

There were scattered instances in December of Free World ships being withheld from the trade with North Vietnam, and there was evidence that this practice was causing some inconvenience to those engaged in that trade. Some owners of Free World ships trading with North Vietnam have responded to US appeals and pressures from their own governments by refusing to renew existing charters unless clauses are added to exclude calls at North Vietnamese ports. Soviet shipping officials proved cooperative in December by acceding to the request of Norwegian owners to drop renewal options held by the USSR on two Norwegian ships under long-term Soviet charter to carry fruit from North Vietnam to the Soviet Far East.

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The problem may be short-lived, however, because Hong Kong traders, who own most of the British-flag ships that have been calling at North Vietnam, can be relied on to provide additional shipping for Sino-Vietnamese trade. Their cooperation is assured by their heavy dependence on Chinese Communist business, and in some cases, apparently by Chinese Communist participation in their management. There are also some Free World operators who will endeavor to keep their ships in the North Vietnamese trade.

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2. Communist Shipping

Communist ships made 28 calls at North Vietnam in December, the largest number in any month of 1965 except November. These ships accounted for 68 percent of known calls by foreign ships in December, their highest share since April. Continuing a trend apparent since September, Communist ships also carried an increasing proportion of North Vietnamese seaborne cargoes, as follows:

	Percent	
	<u>December</u>	<u>January-November</u>
Total	52	36
Imports	64	65
Exports	41	25

The 10 calls by Soviet ships was the largest monthly total since last January. The usual end-of-year rush to complete contracted deliveries probably contributed to the large volume of Soviet cargoes. Three tankers delivered petroleum from Black Sea ports, three dry cargo ships full loads of bulk fertilizers, and three other ships assorted general cargoes that included jeeps, trucks, tractors, construction materials and equipment, and rails. The only Soviet ship arriving without cargo was under North Vietnamese charter to carry coal exports.

Of the 14 Chinese Communist ships that arrived at North Vietnam in December, eight are known to have called at the coal ports, and, therefore, presumably loaded coal for delivery to China. There is virtually no information on cargoes carried to North Vietnam by the Chinese ships. Only miscellaneous general cargoes were identified on the Polish-flag ships.

3. Cargoes

Identified seaborne shipments to and from North Vietnamese ports in December totaled 212, 400 tons. Identified imports amounted

to 97,700 tons, the highest monthly volume recorded in 1965. The volume of identified seaborne exports was 114,700 tons, 95 percent of which consisted of coal. No seaborne shipments of arms or ammunition were detected.

The large volume of seaborne imports in December is at least partly due to increasing North Vietnamese efforts in recent months to transfer incoming international shipments from rail to sea routes. Dependence on the sea routes reached a peak in December as a result of bombing damage, which kept the Dong Dang - Hanoi line closed to through traffic throughout most of December. This is the only rail line connecting North Vietnam with the main rail network of Communist China and thence to the USSR and Europe. Diverted cargoes included the third seaborne shipment of coking coal from China since the beginning of November. In the earlier months of 1965, rail shipments were the only observed means used to move Chinese coking coal, although occasional seaborne shipments were detected throughout 1964. The Chinese seem to be having considerable difficulty in arranging these deliveries by sea.

Bulk shipments of petroleum, all of which were delivered from Black Sea ports by Soviet ships, were the largest single category of imports, reaching the highest volume recorded in any month of this year. The volume of other identified seaborne imports was also larger than that recorded in any previous month; miscellaneous general cargoes aboard Soviet ships were more than twice the monthly average for the first 11 months of 1965. The changes during December in the volume of these imports above that of the previous eleven months are as follows:

Commodity	Volume (Thousand Metric Tons)		Percentage Change
	Monthly Average January-November	December	
Ammonium sulfate and other fertilizers	15.7	20.2	+ 29
Petroleum	12.3	32.0	+160
Grain and other foodstuffs	8.7	18.0	+107
Miscellaneous	18.0	27.5	+ 53
Total	<u>53.1</u>	<u>97.7</u>	+ 84

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Identified seaborne exports amounted to 114,700 tons, compared with an average monthly volume of 144,100 tons for the period January-November. Except for coal, the volumes of all categories of seaborne exports in December were significantly smaller than volumes shipped in the first quarter of this year, before the initiation of the Rolling Thunder program of air strikes against selected targets in North Vietnam. The changes during December in the volume of these exports above that of the first quarter are as follows:

<u>Commodity</u>	<u>Volume (Thousand Metric Tons)</u>		<u>Percentage Change</u>
	<u>Monthly Average January-March</u>	<u>December</u>	
Coal	80.3	109.3	+ 36
Apatite	55.7	0	-100
Cement	11.6	3.2	- 72
Pig iron	9.2	0.2	- 98
Miscellaneous	11.2	1.9	- 83
Total	<u>168.0</u>	<u>114.7</u>	- 32

As a direct result of damage to the rail line connecting the apatite mines at Lao Cai with the port of Haiphong, no seaborne shipments of apatite have been detected since early August. This line was reopened to through traffic in December, however, and there are indications that a Soviet ship was to load apatite at Haiphong in the second week of January. Increased domestic use of cement in military construction and in the repair of bomb-damaged structures is believed to be the principal reason for decreased seaborne exports of cement. The reasons for the decline in shipments of pig iron and miscellaneous general cargoes are not apparent.

Identified seaborne exports of coal reached a volume of 109,300 tons in December, compared with average monthly shipments of 94,100 tons in the first 11 months of the year. As in October and November, China again displaced Japan as the principal importer of North Vietnamese coal with loadings totaling 66,000 tons, 61 percent of which was delivered by Free World ships. Shipments to Japan amounted to only

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21,200 tons, making the total of these shipments during the third quarter the lowest of the year. [REDACTED]

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[REDACTED] It is likely that an additional retarding factor in December was a seamen's strike which began in late November. Individual shipments of North Vietnamese coal also went to Cuba, France, and Malaya in December.

The diversion of traffic from the Dong Dang - Hanoi rail line is now believed to have been an important cause of the sharp increase in seaborne shipments of North Vietnamese coal to China in November and December. [REDACTED]

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[REDACTED] Although the volume of seaborne exports of coal to China dropped from nearly 116,000 tons in November to 66,000 tons in December, the latter volume was more than double the average monthly volume of these shipments prior to November.

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Table 1

Foreign-Flag Ship Arrivals in North Vietnam ^{a/}
November, December, and Cumulative 1965

Flag	November ^{b/}		December		Cumulative 1965 ^{b/}	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Total	<u>44</u>	<u>100.0</u>	<u>41</u>	<u>100.0</u>	<u>529</u>	<u>100.0</u>
Communist countries	<u>29</u>	<u>65.9</u>	<u>28</u>	<u>68.3</u>	<u>273</u>	<u>51.6</u>
USSR	7	15.9	10	24.4	79	14.9
Eastern Europe	5	11.4	4	9.8	50	9.5
Albania					1	0.2
Bulgaria	2	4.5	1	2.4	5	0.9
Czechoslovakia					4	0.8
Poland	3	6.8	3	7.3	10	7.6
Communist China	16	36.4	14	34.1	113	27.0
Cuba	1	2.3			1	0.2
Free World	<u>15</u>	<u>34.1</u>	<u>13</u>	<u>31.7</u>	<u>256</u>	<u>48.4</u>
Cyprus			1	2.4	3	0.6
France	1	2.3			2	0.4
Greece	1	2.3	2	4.9	28	5.3
Italy					1	0.2
Japan					37	7.0
Lebanon					2	1.7
Liberia					3	0.6
Malta					2	0.4
Netherlands					5	0.9
Norway	1	2.3			29	5.5
Panama					1	0.2
United Kingdom	12	27.3	10	24.4	136	25.7

a. Because of rounding, components may not add to the totals shown.

b. Previously published data on calls by Chinese Communist ships and Greek-flag ships in October and November have been revised without affecting the cumulative totals.

Table 2

Tonnage of Foreign-Flag Ship Arrivals in North Vietnam: a/
November, December, and Cumulative 1965

Flag	November b/		December		Cumulative 1965 b/	
	Number	Thousand Gross Register: Tons	Number	Thousand Gross Register Tons	Number	Thousand Gross Register Tons
Total	<u>44</u>	<u>261.8</u>	<u>41</u>	<u>232.8</u>	<u>529</u>	<u>2,664.7</u>
Communist countries	<u>29</u>	<u>176.1</u>	<u>28</u>	<u>153.1</u>	<u>273</u>	<u>1,414.5</u>
USSR	7	58.5	10	70.8	79	527.7
Eastern Europe	5	37.1	4	24.8	50	345.5
Communist China	16	70.8	14	56.4	143	531.6
Cuba	1	9.7			1	9.7
Free World	<u>15</u>	<u>85.7</u>	<u>13</u>	<u>79.7</u>	<u>256</u>	<u>1,250.2</u>

a. Many Soviet and Eastern European ships calling at North Vietnamese ports pick up or discharge only small parts of their total cargoes in North Vietnam, and many of the Free World ships only pick up export cargoes. For this reason, with the possible exception of Chinese Communist ships, aggregate tonnage of ships calling is not closely correlative to actual volume of cargoes moving into and out of North Vietnam, but these data are of value as indications of relative changes in the volume of shipping. Because of rounding, components may not add to the totals shown.

b. Previously published data on calls by Chinese Communist ships and Greek-flag ships in October and November have been revised without affecting the cumulative totals.

Table 3
Identified North Vietnamese Imports Carried by Foreign-Flag Ships a/
December 1965

Flag	Commodity						Thousand Metric Tons
	Ammonium Sulfate and Other Fertilizers	Petroleum	Grain and Other Foodstuffs	Pyrites	Timber	Miscellaneous	Total <u>b/</u>
Total	<u>20.2</u>	<u>32.0</u>	<u>18.0</u>	<u>0</u>	<u>0</u>	<u>27.5</u>	<u>97.7</u>
Communist countries	<u>9.9</u>	<u>32.0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20.5</u>	<u>62.4</u>
USSR	9.9	32.0				19.3	61.2
Eastern Europe						1.2	1.2
Free World	<u>10.3</u>	<u>0</u>	<u>18.0</u>	<u>0</u>	<u>0</u>	<u>7.0 c/</u>	<u>35.3</u>

a. Identified imports include some estimates of bulk cargoes, using methods which have proved to be highly reliable. Because of rounding, components may not add to the totals shown.

b. An additional unknown quantity of imports was carried by Chinese Communist ships.

c. Coal from Communist China.

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Table 4

Identified North Vietnamese Exports
 Carried by Foreign-Flag Ships a/
 December 1965

Thousand Metric Tons						
Flag	Commodity					Total
	Coal	Apatite	Cement	Pig Iron	Miscellaneous	
Total	<u>109.3</u>	<u>0</u>	<u>3.2</u>	<u>0.2</u>	<u>1.9</u>	<u>114.7</u>
Communist countries	<u>42.1</u>	<u>0</u>	<u>3.2</u>	<u>0.2</u>	<u>1.7</u>	<u>47.3</u>
USSR	11.2		3.2	0.2		14.6
Eastern Europe	8.9				1.5	10.5
Communist China <u>b/</u>	22.0				0.2	22.2
Free World	<u>67.1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.2</u>	<u>67.4</u>

a. Identified exports include some estimates of bulk cargoes, using methods which have proved to be highly reliable. Because of rounding, components may not add to the totals shown.

b. An additional unknown quantity of exports was carried by Chinese Communist ships.

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Analyst:

Coord:



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